

ST. JAMES PARISH CLERK OF COURT

Convent, Louisiana

Financial Report

Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

The Honorable Edmond E. Kinler, Jr.
St. James Parish Clerk of Court
Convent, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. James Parish Clerk of Court as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the St. James Parish Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Clerk of Court, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and the schedule of funding progress on page 31 and 32, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The St. James Parish Clerk of Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The other supplementary information on pages 34 through 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements on pages 34, 35, 39, and 40 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the St. James Parish Clerk of Court's 2013 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

The budgetary comparison schedules on pages 36 and 37 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2014, on our consideration of the St. James Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 10, 2014

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 165,418
Receivables, net	11,144
Accrued interest	<u>281</u>
Total current assets	176,843
Noncurrent assets:	
Capital assets, net	<u>16,676</u>
Total assets	<u>193,519</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	<u>3,909</u>
Noncurrent liabilities:	
Compensated absences payable	22,547
Postemployment benefit obligation payable	<u>251,882</u>
Total noncurrent liabilities	<u>274,429</u>
Total liabilities	<u>278,338</u>
Net Position	
Invested in capital assets	16,676
Unrestricted (deficit)	<u>(101,495)</u>
Total net position	<u>\$ (84,819)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Activities
For the Year Ended June 30, 2014

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 821,758</u>	<u>\$ 715,627</u>	<u>\$ -</u>	\$(106,131)
	General revenues:			
	Interest and investment earnings			<u>396</u>
	Change in net position			(105,735)
	Net Position - July 1, 2013			<u>20,916</u>
	Net Position - June 30, 2014			<u>\$ (84,819)</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Balance Sheet - Governmental Fund
June 30, 2014

	<u>General Fund</u>
ASSETS	
Cash	\$ 165,418
Receivables:	
Accounts receivable	11,144
Accrued interest	<u>281</u>
Total assets	<u>\$ 176,843</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 3,909
Fund balance:	
Unassigned	<u>172,934</u>
Total liabilities and fund balance	<u>\$ 176,843</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balance for the governmental fund at June 30, 2014		\$ 172,934
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, furniture and fixtures, net of \$187,470 accumulated depreciation	\$ 296	
Vehicles, net of \$18,720 accumulated depreciation	<u>16,380</u>	16,676
Long-term liabilities at June 30, 2014:		
Compensated absences	(22,547)	
Net OPEB obligation	<u>(251,882)</u>	<u>(274,429)</u>
Total net position of governmental activities at June 30, 2014		<u>\$ (84,819)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2014

	<u>General Fund</u>
Revenues:	
Licenses and permits	\$ 3,000
Fees, charges, and commissions for services -	
Court costs, fees, and charges	146,263
Fees for recording legal documents	479,760
Fees for certified copies	86,604
Use of money and property	
Interest earnings	<u>396</u>
Total revenues	<u>716,023</u>
Expenditures:	
Current -	
Personal services and related benefits	676,429
Operating services	40,817
Materials and supplies	<u>38,369</u>
Total expenditures	<u>755,615</u>
Net change in fund balance	(39,592)
Fund balance, beginning of year	<u>212,526</u>
Fund balance, end of year	<u>\$ 172,934</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2014

Total net change in fund balance for the year ended June 30, 2014 per statement of revenues, expenditures and changes in fund balance	\$ (39,592)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense for the year ended June 30, 2014	(8,788)
Excess of compensated absences earned over compensated absences used	(2,116)
Items not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure: Net OPEB obligation payable at June 30, 2014	<u>(55,239)</u>
Total change in net position for the year ended June 30, 2014 per statement of activities	<u>\$(105,735)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 168,866
Interest-bearing deposits	<u>722,548</u>
Total assets	<u>\$ 891,414</u>
LIABILITIES	
Due to litigants and others	<u>\$ 891,414</u>

The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. James Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. As an independently elected official, the Clerk of Court is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

The accompanying basic financial statements of the Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements

Government – Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the Clerk of Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity meets the following criteria:

- a. Total assets, liabilities, revenues, or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund types:

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Jury Fund – account is to pay jurors who report for Petit and Civil Jury.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities reflects the economic resources, measurement focus, and accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fees and charges paid by the recipients for goods or services offered by the programs.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives for furniture, fixtures, and equipment range from five to ten years:

Compensated Absences

Employees of the Clerk of Court's office earn vacation and sick leave each year as follows:

Vacation –

- (a) Employees with 1 – 12 years earn 9 days per year.
- (b) Employees with 13 – 22 years earn 13 days per year.
- (c) Employees with more than 22 years earn 17 days per year.

Sick leave –

- (a) Employees with 1 – 12 years earn 9 days per year.
- (b) Employees with 13 – 22 years earn 13 days per year.
- (c) Employees with more than 22 years earn 17 days per year.

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Notes to Basic Financial Statements

Vacation and sick leave are accrued annually for the current year only. Unused leave at the end of each calendar year is forfeited. At June 30, 2014, the Clerk of Court has \$22,547 of accumulated sick leave benefits required to be reported in accordance with generally accepted accounting principles.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in two components:

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the other two components and is available for general use by the Clerk of Court.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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Notes to Basic Financial Statements

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Clerk of Court, which is the highest level of decision-making authority for the Clerk of Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk of Court's adopted policy only the Clerk of Court may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk has provided otherwise in his commitment or assignment actions.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character and Function

F. Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

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Notes to Basic Financial Statements

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

G. Bad Debts

Through the establishment of an allowance account, uncollectible amounts due from customers' receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts for customers' receivables at June 30, 2014 was \$345.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the Clerk of Court has cash and interest-bearing deposits (book balances) totaling \$1,056,832 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 165,418	\$ 168,866	\$ 334,284
Time and money-market deposits	<u>-</u>	<u>722,548</u>	<u>722,548</u>
Total	<u>\$ 165,418</u>	<u>\$ 891,414</u>	<u>\$ 1,056,832</u>

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Convent, Louisiana

Notes to Basic Financial Statements

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Clerk of Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014 are secured as follows:

Bank balances	<u>\$ 1,177,160</u>
Federal deposit insurance	\$ 435,413
Pledged securities	<u>741,747</u>
Total federal deposit insurance and pledged securities	<u>\$ 1,177,160</u>

Deposits in the amount of \$741,747 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities that are held by the pledging institution's trust department or agent, but not in the Clerk of Court's name. The Clerk of Court does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2014</u>
Governmental activities:				
Equipment, furniture and fixtures	\$187,766	\$ -	\$ -	\$ 187,766
Vehicle	<u>35,100</u>	<u>-</u>	<u>-</u>	<u>35,100</u>
Total	222,866	-	-	222,866
Less: accumulated depreciation	<u>197,402</u>	<u>8,788</u>	<u>-</u>	<u>206,190</u>
Governmental activities, capital assets, net	<u>\$ 25,464</u>	<u>\$ (8,788)</u>	<u>\$ -</u>	<u>\$ 16,676</u>

Depreciation expense of \$8,788 was charged to the general government.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

(4) Changes in Compensated Absences Payable

During the year ended June 30, 2014, the following changes occurred in compensated absences transactions and balances:

Compensated absences payable at June 30, 2013	\$ 20,431
Additions	2,116
Reductions	-
Compensated absences payable at June 30, 2014	<u>\$ 22,547</u>

(5) Post Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Clerk of Court began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Clerk of Court's future cash flows. Because the Clerk of Court is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: The Clerk of Court's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT") an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerk of Court Association. The LCCIT board of trustees has the authority to establish and amend the benefit provisions of the Retiree Health Plan. The plan does not issue a publicly available financial report.

Funding Policy: The contribution requirements of plan members and the Clerk of Court are established and may be amended by the LCCIT board of trustees. The Clerk of Court contributes 100 percent of the cost of the current-year premiums for eligible retiree plan members and 100 percent of the cost for retired plan members' spouses and dependent children. For the fiscal year ended June 30, 2014, the Clerk of Court contributed \$10,459 to the plan and the retirees contributed \$0. The Clerk of Court recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation: The Clerk of Court's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Clerk of Court utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

The following table shows the components of the Clerk of Court's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk of Court's net OPEB obligation:

Annual required contribution	\$ 69,145
Interest on net OPEB obligation	6,883
Adjustment to annual required contribution	<u>(10,330)</u>
Annual OPEB cost (expense)	65,698
Contributions made	<u>(10,459)</u>
Increase in net OPEB obligation	55,239
Net OPEB obligation - beginning of year	<u>196,643</u>
Net OPEB obligation - end of year	<u>\$ 251,882</u>

The Clerk of Court's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended 2014, 2013, and 2012 are as follows:

<u>Ended</u>	<u>Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
6/30/2012	\$ 54,788	20.3%	\$ 140,009
6/30/2013	\$ 66,691	15.1%	\$ 196,643
6/30/2014	\$ 65,698	15.9%	\$ 251,882

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 780,531
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 780,531</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 401,248
UAAL as a percentage of Covered Payroll	194.5%

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. In accordance with GASB Statement No. 45, the Clerk of Court qualifies for valuations on a tri-annual basis. The latest actuarial valuation was performed on July 1, 2012.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Clerk of Court's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the entry age actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Discount Rate – 3.5% per annum, compounded annually.
2. Retirement Rates - (Rates are the same for both male and female.)

Attained Age	Retirement Rate	
	Hired Prior 1/1/2011	Hired After 12/31/2010
55	20.0%	0.0%
56-59	6.5%	0.0%
60	6.5%	20.0%
61-63	6.5%	6.5%
64 +	15.0%	15.0%

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

3. Withdrawal Rates – (Rates are the same for both male and female.)

Years of Service	Withdrawal Rate
0	18.0%
1	14.0%
2	11.0%
3	9.0%
4	8.0%
5 - 6	6.0%
7	5.0%
8 - 17	3.0%
18 +	1.5%

4. Medical Claim Costs – Age-adjusted premiums were used for claims costs. They were derived from the average of the 2012 and 2013 premiums, trended to the valuation date and adjusted for the risk characteristics of the group. The Louisiana Clerk of Court's Association offers two benefit options, of which the Clerk of Court can choose to offer one or both. Retirees age 65 and older that are not eligible for Medicare can continue with Option 1 or Option 2. Claim costs per member per month are as follows:

Year	Option 1 - HDHP		Option 2 - PPO	
	Male	Female	Male	Female
20	\$ 147	\$ 349	\$ 184	\$ 436
25	147	349	184	436
30	180	382	225	477
35	235	415	294	519
40	290	444	363	555
45	378	492	473	615
50	488	580	611	725
55	643	679	803	849
60	837	782	1,047	978
65	973	859	1,216	1,074
70	1,065	915	1,331	1,143
75	1,150	966	1,437	1,207
80	1,205	995	1,506	1,244
85	1,219	1,006	1,524	1,258
90	1,219	1,006	1,524	1,258

5. Life Claims – Based on the RP-2000 Combine Healthy Mortality Table, projected to 2013 using Scale AA.

6. Retiree and retiree's dependents contributions -0%

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

7. Pre-retirement and post-retirement mortality – RP-2000 Combined Healthy Mortality Table, projected to 2013 using Scale AA.
8. Participation by current retirees – Current retirees are assumed to continue with their current benefits.
9. Participation by future retirees - 90% of future eligible retirees are assumed to continue their medical and dental benefits and 100% of future eligible retirees are assumed to continue with their life insurance benefits.
10. Dependent status – For current retirees, current marital status is assumed to continue. For future retirees, 25% are assumed to have a covered spouse. Dependent children were excluded.
11. Medical Claim Costs –Age-adjusted premiums were used for claims costs. They were derived from the average of the 2012 and 2013 premiums, trended to the valuation date and adjusted for the risk characteristics of the group. The Louisiana Clerk of Court's Association offers two benefit options, of which the Clerk of Court can choose to offer one or both. Retirees age 65 and older that are not eligible for Medicare can continue with Option 1 or Option 2. Claim costs per member per month are as follows:

(6) Pension Plan

Plan Description. – Substantially all employees of the Clerk of Court, except part-time and temporary employees, are members of the Louisiana Clerks' of Court Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Effective January 1, 2011, the retirement age increased to 65 and the amount paid monthly for life was changed to equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Effective January 1, 2011, the age for this benefit increased to 65 years of age. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that included financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 10202 Jefferson Highway, Building A, Baton Rouge, Louisiana 70809, or by calling (225) 293-1162.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

Funding Policy – Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The rate as of June 30, 2014 was 18.50% of annual covered payroll. The Clerk of Court has elected to pay the member's share of the required contribution equal to 8.25% of their annual covered salary. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court's contributions to the Retirement System for the years ended June 30, 2014, 2013, and 2012 were \$112,109, \$111,749, and \$111,148 respectively, equal to the required contributions for each year.

(7) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$32,370 for the year ended June 30, 2014.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(8) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits for the year ended June 30, 2014 follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 471,475	\$ 575,035	\$ 506,833	\$ 539,677
Registry of Court	915,998	53,736	631,514	338,220
Jury Fund	13,579	10,230	10,292	13,517
Totals	<u>\$ 1,401,052</u>	<u>\$ 639,001</u>	<u>\$ 1,148,639</u>	<u>\$ 891,414</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

(9) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of auto liability, professional liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Litigation and Claims

The Clerk of Court is not involved in any material matters of pending or threatened litigation as of June 30, 2014.

(11) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. James Parish Courthouse. The St. James Parish Government pays the upkeep and maintenance of the courthouse. In addition, the Parish Government also pays some of the Clerk of Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(12) New Accounting Pronouncements

In June, 2012 the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the Louisiana Clerks of Court Retirement and Relief Fund for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the Clerk of Court for the year ending June 30, 2015. The effect of implementation of these statements on the Clerk of Court's financial statements has not yet been determined.

(13) Subsequent Event Review

The Clerk of Court has evaluated subsequent events through October 10, 2014, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014				
	Budget			Variance -	2013
	Original	Final	Actual	Positive (Negative)	Actual
Revenues:					
Licenses and permits	\$ 3,000	\$ 2,628	\$ 3,000	\$ 372	\$ 3,060
Fees, charges, and commissions for services -					
Court costs, fees, and charges	173,000	146,088	146,263	175	158,589
Fees for recording legal documents	592,650	467,655	479,760	12,105	613,156
Fees for certified copies	82,500	92,337	86,604	(5,733)	82,546
Use of money and property -					-
Interest earnings	1,600	1,204	396	(808)	1,315
Total revenues	<u>852,750</u>	<u>709,912</u>	<u>716,023</u>	<u>6,111</u>	<u>858,666</u>
Expenditures:					
Current -					
Personal services and related benefits	719,711	674,469	676,429	(1,960)	711,874
Operating services	35,800	46,659	40,817	5,842	34,926
Materials and supplies	57,800	39,930	38,369	1,561	50,228
Total expenditures	<u>813,311</u>	<u>761,058</u>	<u>755,615</u>	<u>5,443</u>	<u>797,028</u>
Excess (deficiency) of revenues over expenditures	39,439	(51,146)	(39,592)	11,554	61,638
Fund balance, beginning of year	<u>212,526</u>	<u>212,526</u>	<u>212,526</u>	-	<u>150,888</u>
Fund balance, end of year	<u>\$ 251,965</u>	<u>\$ 161,380</u>	<u>\$ 172,934</u>	<u>\$ 11,554</u>	<u>\$ 212,526</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Schedule of Funding Progress
Year Ended June 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2009	\$ -	\$898,008	\$898,008	0.0%	\$439,800	204.20%
July 1, 2012	\$ -	\$780,531	\$780,531	0.0%	\$401,248	194.53%

OTHER SUPPLEMENTARY INFORMATION

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Comparative Statement of Net Position
June 30, 2014 and 2013

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash	\$ 165,418	\$ 204,015
Receivables, net	11,144	11,910
Accrued interest	<u>281</u>	<u>368</u>
Total current assets	176,843	216,293
Noncurrent assets:		
Capital assets, net	<u>16,676</u>	<u>25,464</u>
Total assets	<u>193,519</u>	<u>241,757</u>
LIABILITIES		
Current liabilities:		
Accounts and other payables	<u>3,909</u>	<u>3,767</u>
Noncurrent liabilities:		
Compensated absences payable	22,547	20,431
Postemployment benefit obligation payable	<u>251,882</u>	<u>196,643</u>
Total noncurrent liabilities	<u>274,429</u>	<u>217,074</u>
Total liabilities	<u>278,338</u>	<u>220,841</u>
NET POSITION		
Invested in capital assets	16,676	25,464
Unrestricted (deficit)	<u>(101,495)</u>	<u>(4,548)</u>
Total net position	<u>\$ (84,819)</u>	<u>\$ 20,916</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 165,419	\$ 204,015
Receivables:		
Accounts receivable	11,143	11,910
Accrued interest	<u>281</u>	<u>368</u>
Total assets	<u>\$ 176,843</u>	<u>\$ 216,293</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 3,909	\$ 3,767
Fund balance:		
Unassigned	<u>172,934</u>	<u>212,526</u>
Total liabilities and fund balance	<u>\$ 176,843</u>	<u>\$ 216,293</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014				
	Budget			Variance -	2013
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Licenses and permits -					
Marriage licenses	\$ 3,000	\$ 2,628	\$ 3,000	\$ 372	\$ 3,060
Court costs, fees, and charges -					
Court attendance	7,000	6,216	5,540	(676)	6,100
Criminal costs	105,000	72,715	72,868	153	92,415
Qualifying fees	500	24	20	(4)	-
Other	60,500	67,133	67,835	702	60,074
Total court costs, fees and charges	173,000	146,088	146,263	175	158,589
Fees for recording legal documents -					
Recordings	165,000	164,046	163,134	(912)	173,209
Suits and successions	425,000	301,815	314,847	13,032	437,611
Mortgage certificates	2,650	1,794	1,779	(15)	2,336
Total fees for recording legal documents	592,650	467,655	479,760	12,105	613,156
Fees for certified copies -					
Certified copies	82,500	92,337	86,604	(5,733)	82,546
Use of money and property -					
Interest earned	1,600	1,204	396	(808)	1,315
Total revenues	\$ 852,750	\$ 709,912	\$ 716,023	\$ 6,111	\$ 858,666

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			Variance -	
	Budget			Favorable	2013
	Original	Final	Actual	(Unfavorable)	Actual
Current:					
Personal services and related benefits -					
Salaries:					
Clerk	\$ 119,743	\$ 120,973	\$ 120,973	\$ -	\$ 117,043
Deputy clerks	330,000	287,295	289,285	(1,990)	328,440
Other	2,000	-	-	-	3,182
Allowance	12,000	12,000	12,000	-	11,705
Clerk supplemental	11,000	10,835	10,784	51	10,587
Group insurance	95,271	95,339	95,339	-	91,730
Pension	146,197	144,479	144,479	-	145,699
Medicare tax	<u>3,500</u>	<u>3,548</u>	<u>3,569</u>	<u>(21)</u>	<u>3,488</u>
Total personal services and related benefits	<u>719,711</u>	<u>674,469</u>	<u>676,429</u>	<u>(1,960)</u>	<u>711,874</u>
Operating services -					
Professional fees	15,000	20,107	15,480	4,627	11,590
Insurance	4,000	3,782	2,837	945	2,973
Election expense allowance	2,100	2,203	2,186	17	2,150
Postage	8,500	10,263	9,395	868	8,131
Birth certificates	6,200	10,304	10,943	(639)	6,535
Bad debts (recoveries)	-	-	(24)	24	(88)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,635</u>
Total operating services	<u>35,800</u>	<u>46,659</u>	<u>40,817</u>	<u>5,842</u>	<u>34,926</u>
Materials and supplies -					
Office supplies	51,000	35,850	34,454	1,396	41,832
Automobile supplies and maintenance	3,700	4,080	3,915	165	3,336
Dues and subscriptions	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,060</u>
Total materials and supplies	<u>57,800</u>	<u>39,930</u>	<u>38,369</u>	<u>1,561</u>	<u>50,228</u>
Total expenditures	\$ 813,311	\$ 761,058	\$ 755,615	\$ 5,443	\$ 797,028

FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund II -

This Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund -

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

Jury Fund -

Act 632 of the State Legislature for the year 1979, authorized payment to Jurors who report for Jury Duty. This account is to pay Jurors who report for Petit and Civil Jury. The monies are collected from the St. James Parish Government or the Advance Deposit Accounts.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
Agency Funds

Combining Statement of Assets and Liabilities
June 30, 2014
With Comparative Totals for June 30, 2013

	<u>Advance Deposit II</u>	<u>Registry of Court</u>	<u>Jury Fund</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
ASSETS					
Cash	\$ 138,369	\$ 16,980	\$ 13,517	\$ 168,866	\$ 50,021
Interest-bearing deposits	<u>401,308</u>	<u>321,240</u>	<u>-</u>	<u>722,548</u>	<u>1,351,031</u>
Total assets	<u>\$ 539,677</u>	<u>\$ 338,220</u>	<u>\$ 13,517</u>	<u>\$ 891,414</u>	<u>\$ 1,401,052</u>
LIABILITIES					
Due to St. James Parish Council	\$ -	\$ -	\$ 13,517	\$ 13,517	\$ 13,579
Due to litigants	<u>539,677</u>	<u>338,220</u>	<u>-</u>	<u>877,897</u>	<u>1,387,473</u>
Total liabilities	<u>\$ 539,677</u>	<u>\$ 338,220</u>	<u>\$ 13,517</u>	<u>\$ 891,414</u>	<u>\$ 1,401,052</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2014
With Comparative Totals for the Year Ended June 30, 2013

	Advance Deposit II	Registry of Court	Jury Fund	Total	
				2014	2013
ASSETS					
Cash, beginning of year	\$ 20,167	\$ 16,275	\$ 13,579	\$ 50,021	\$ 103,748
Interest-bearing deposits, beginning of year	451,308	899,723	-	1,351,031	1,660,319
Total assets, beginning of year	<u>471,475</u>	<u>915,998</u>	<u>13,579</u>	<u>1,401,052</u>	<u>1,764,067</u>
Additions:					
Suits and successions	575,035	-	-	575,035	619,538
Parish	-	-	10,230	10,230	14,539
Deposits per court order	-	53,406	-	53,406	246,789
Interest	-	330	-	330	669
Total additions	<u>575,035</u>	<u>53,736</u>	<u>10,230</u>	<u>639,001</u>	<u>881,535</u>
Total	<u>1,046,510</u>	<u>969,734</u>	<u>23,809</u>	<u>2,040,053</u>	<u>2,645,602</u>
Reductions:					
Clerk's costs (transferred to General Fund)	314,799	-	-	314,799	436,144
Refunds to litigants	82,472	631,514	-	713,986	711,877
Other*	30,568	-	10,292	40,860	14,539
Sheriff fees	64,072	-	-	64,072	68,238
Secretary of State	3,584	-	-	3,584	1,950
Judge's supplemental compensation fund	11,338	-	-	11,338	11,802
Total reductions	<u>506,833</u>	<u>631,514</u>	<u>10,292</u>	<u>1,148,639</u>	<u>1,244,550</u>
Cash, end of year	138,369	16,980	13,517	168,866	50,021
Interest-bearing deposits, end of year	<u>401,308</u>	<u>321,240</u>	<u>-</u>	<u>722,548</u>	<u>1,351,031</u>
Total assets, end of year	<u>\$ 539,677</u>	<u>\$ 338,220</u>	<u>\$ 13,517</u>	<u>\$ 891,414</u>	<u>\$ 1,401,052</u>
LIABILITIES					
Due to litigants and other funds, beginning of year	\$ 471,475	\$ 915,998	\$ 13,579	\$ 1,401,052	\$ 1,764,067
Additions	575,035	53,736	10,230	639,001	881,535
Reductions	<u>506,833</u>	<u>631,514</u>	<u>10,292</u>	<u>1,148,639</u>	<u>1,244,550</u>
Due to litigants and other funds, end of year	<u>\$ 539,677</u>	<u>\$ 338,220</u>	<u>\$ 13,517</u>	<u>\$ 891,414</u>	<u>\$ 1,401,052</u>

*Other - Witness fees, jury fees, jury commissioners, and court reporter fees.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Edmond E. Kinler, Jr.
St. James Parish Clerk of Court
Convent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Clerk of Court as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Clerk of Court's basic financial statements and have issued our report thereon dated October 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. James Parish Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. James Parish Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. James Parish Clerk of Court's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2014-001 and 2014-002 to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. James Parish Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

St. James Parish Clerk of Court's Response to Findings

The St. James Parish Clerk of Court's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The St. James Parish Clerk of Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 10, 2014

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/14) --						
<u>Internal Control:</u>						
2014-001	Unknown	The Clerk did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Edmond Kinler, Jr., Clerk of Court	N/A
2014-002	2008	The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	N/A	The Clerk has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Edmond Kinler, Jr., Clerk of Court	N/A
PRIOR YEAR (6/30/13) --						
<u>Internal Control:</u>						
2013-001	Unknown	The Clerk did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Edmond Kinler, Jr., Clerk of Court	N/A
2013-002	2008	The Clerk does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	N/A	The Clerk has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Edmond Kinler, Jr., Clerk of Court	N/A